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12 August 1957

USSR Credits to East Germany in 1956-57

REF: 1. Foreign Service Despatch, #214, 24 Aug 56, ODU; 2. Air Intelligence Information Report, IR-7672-56, 1 Aug 56, C; 3. Foreign Service Despatch, #24, 19 Jul 57, C.

1. In a recent article in Pravda, P. Nikitin, Deputy Chief of the Soviet State Committee for Foreign Economic Relations, stated that credits extended to East Germany by the USSR in 1956-57 totaled 420 million rubles or \$105 million. (Ref. 3). Information on file in this Office, however, shows that in July 1956 the USSR granted East Germany economic assistance totaling approximately \$1.9 billion. The assistance consisted of a fifty percent reduction in the cost of Soviet troop maintenance or approximately \$1.5 billion for a four year period, an atomic reactor, commodity and currency credits, and a new uranium ore pricing. (Ref. 1,2). In addition, a currency credit of \$85 million was granted by the USSR to East Germany in January 1957.

2. Answers to the following questions would be useful in explaining the above discrepancy:

- a. What is the value of each individual part of the assistance?
- b. What amount is to be granted each year for each individual part of the assistance?
- c. Is the January 1957 credit separate and in addition to the currency credit granted in July 1956?
- d. Is there any explanation as to how Nikitin arrived at \$105 million as the figure for credits extended in 1956-57.

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